

SECTION 3

AWARD AND EXECUTION OF CONTRACT

3-1.01 Award of Contract - The right is reserved to reject any and all proposals.

The award of the contract, if it be awarded, will be to the lowest and best responsible bidder whose proposal complies with all the requirements prescribed. Such award, if made, will be made as stated in the special provisions. If the lowest and best responsible bidder refuses or fails to execute the contract, the City of Stockton may award the contract to the second lowest and best responsible bidder.

All bids will be compared on the basis of the Engineer's Estimate of the quantities of work to be done.

3-1.02 Contract Bonds - The Contractor will be required to furnish a surety bond for the faithful performance of the Contractor's contract and also a labor and material bond, each in the sum of one hundred percent (100%) of the contract price.

The Faithful Performance Bond will be retained by the City of Stockton for twelve (12) months following final acceptance by the City of the improvements to guarantee correction of failure attributable to workmanship and materials. Upon said final acceptance by the City, the amount of the Faithful Performance Bond may be reduced to twenty percent (20%) of the actual improvement construction costs.

The bonds required of the Contractor shall be furnished by a company authorized to do a surety business in the State of California: said bonds shall be executed by the Surety and Contractor before or concurrently with the signing of the contract. The form of said bonds shall be approved by the City Attorney and the surety of Sureties shall be approved by the Director of Finance.

All alterations, extensions of time, extra or additional work and other changes authorized by these Standard Specifications, or any part of the contract may be made without securing the consent of the Surety on the contract bonds.

3-1.03 Execution of the Contract - The contract shall be executed within ten (10) days not including Saturdays and Sundays and legal holidays, after the bidder has received the contract, via certified mail.

3-1.04 Failure to Execute Contract - Failure of the lowest and best, the second lowest and best, or the third lowest and best to execute the contract and file acceptable bonds as provided herein within 10 days not including Saturdays, Sundays and legal holidays, after the bidder has received the contract, via certified mail, shall be just cause for the forfeiture of the proposal guaranty. The successful bidder may file with the City Clerk a written notice, signed by the

bidder or the bidder's authorized representative, specifying that the bidder will refuse to execute the contract if presented to the bidder. The filing of such notice shall have the same force and effect as the failure of the bidder to execute the contract and furnish acceptable bonds within the time herein before prescribed.

3-1.05 Return of Proposal Guaranties - The bid guarantees of the three lowest bidders will be retained until the Agreement is signed, evidence of insurance provided, and satisfactory bonds furnished or other disposition made thereof. The bid guarantees of all bidders except the three lowest, responsive bids will be returned within 15 calendar days after the bids are opened.

Within 10 days after the award of the contract to the lowest and best responsible bidder, the City of Stockton will return the proposal guaranties, other than bidder's bonds and any guaranties which have been forfeited, accompanying the proposals no longer being considered. The retained proposal guaranties will be held until the contract has been finally executed. All of the proposal guaranties, except bidder's bonds and any guaranties which have been forfeited, will be returned to the respective bidders after the contract is awarded, executed, and filed with the City Clerk.